

## Message Text

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44

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 AID-20 CIAE-00 COME-00 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 PA-04 PRS-01 USIA-15

DRC-01 /114 W

----- 097197

P R 271600Z OCT 73

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC PRIORITY 2770

INFO AMEMBASSY GUATEMALA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

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GUATEMALA FOR ROCAP

E. O. 11652: N/A

TAGS: ECON, EFIN, NU

SUBJECT: ECONOMIC INDICATORS THROUGH AUGUST

REF: MANAGUA 3457

SUMMARY: ECONOMIC INDICATORS THROUGH AUGUST OBTAINED FROM THE MINISTRY OF FINANCE AND CENTRAL BANK SHOW THAT THE STRONG PERFORMANCE OF THE FIRST SIX MONTHS (REFTEL) CONTINUED. ON THE FISCAL SIDE, GOVERNMENT TAX REVENUES RAN WELL AHEAD (ERMR PERCENT) OF LAST YEAR DUE PRINCIPALLY TO THE EXPORT TAX BUT JULY AND AUGUST ALSO SAW A PICKUP IN CONSUMER TAXES WITH THE SALES TAX RUNNING 4.4 PERCENT AHEAD OF LAST YEAR VS. 3 PERCENT BEHIND AT THE END OF JUNE. GOVERNMENT EXPENDITURES WERE ALSO AHEAD OF LAST YEAR (BY 20 PERCENT) ALTHOUGH, AS NOTED REFTTEL, THE CAPITAL LIMITED OFFICIAL USE

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EXPENDITURES TOTAL INCLUDES SOME ALLOCATIONS NOT YET

FULLY DISBURSED. EXPORTS REMAINED STRONG AND IMPORTS SURGED IN JULY AND AUGUST TO MARK A 22 PERCENT CUMULATIVE GROWTH THROUGH AUGUST. NET FOREIGN RESERVES EXPERIENCED A SEASONAL DECLINE TO \$105.1 MILLION BUT REMAINED 80 PERCENT ABOVE LAST YEAR. SIGHT, TIME AND SAVINGS DEPOSITS DECLINED SLIGHTLY FROM JUNE AND COMMERCIAL CREDIT TO THE PRIVATE SECTOR EXPANDED AS THE AGRICULTURAL SECTOR BEGAN PLANTING AND THE COMMERCIAL SECTOR RESTOCKED AND REBUILT. BETWEEN THE END OF JUNE AND THE END OF AUGUST THE CENTRAL BANK EXTENDED 77.7. MILLION CORDOBAS (\$11.1 MILLION) IN CREDIT TO THE COMMERCIAL BANKS. END SUMMARY.

I. ECONOMIC INDICATORS JANUARY-AUGUST 1973 COMPARED TO JANUARY-AUGUST 1972.

JANUARY -AUGUST 1973	JANUARY -AUGUST 1972	PERCENT INCREASE (DECREASE)
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1. GOVERNMENT REVENUES  
(MILLIONS OF CORDOBAS)

A. DIRECT TAXES	82.7	84.7	(2)
1) INCOME TAX	43.5	41.6	4.5
2) PROPERTY TAX	33.7	37.8	(10.9)
3) OTHER	5.5	5.3	3.7
B. INDIRECT TAXES	452.0	303.2	44.0
1) IMPORT DUTIES	138.2	113.2	22.1
2) EXPORT TAXES	108.1	2.9	362
3) SALES TAXES	49.1	47.6	4.4
4) PETROLEUM PRODUCTS	35.4	34.5	2.6
5) TOBACCO	29.0	26.7	9.6
6) BEER & LIQUOR	38.6	32.9	17.3
7) OTHER	52.9	45.4	16.5
C. NON-TAX RECEIPTS AND CURRENT TRANSFER	73.6	27.5	167.6
D. CAPITAL RECEIPTS	184.3	33.5	450.1
2. CENTRAL GOVERNMENT EXPENDITURES	548.4	456.5	20.1
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A. CURRENT	349.4	330.8	5.3
B. CAPITAL	199.0	125.7	59.3
3. BALANCE OF PAYMENTS (IN MILLIONS OF DOLLARS)			
A. EXPORTS	202.7	175.7	15.4
1) COTTON	58.6	60.0	(2.3)
2) MEAT	25.3	19.3	31.1
3) COFFEE	41.2	19.2	114.5

4) OTHER	77.7	77.2	---
B. IMPORTS	173.4	142.1	22.0
(BREAKDOWN NOT AVAILABLE)			
C. FOREIGN EXCHANGE RESERVES			
(MILLIONS OF DOLLARS)			
1) GROSS RESERVES	144.1	81.9	75.9
2) LESS SHORT TERM OBLIGATIONS	39.0	23.8	63.9
3) NET RESERVES	105.1	58.1	80.8
1) GROSS INTERNATIONAL ASSETS			
	199.9	121.7	64.2
2) GROSS INTERNATIONAL LIABILITIES			
	137.3	120.1	14.3
3) NET	51.5	1.7	2929
4. MONETARY INDICATORS			
(MILLIONS OF CORDOBAS)			
A. CURRENCY & SIGHT DEPOSITS			
	1,090.7	692.0	57.6
B. TIME AND SAVINGS DEPOSITS			
	659.0	515.8	27.9
C. COMMERCIAL BANK LOANS			
TO PRIVATE SECTOR	1,506.4	1,257.7	19.8
D. CENTRAL BANK CREDIT			
TO COMMERCIAL BANKS	104.1	47.4	119.6
E. CENTRAL BANK CREDIT			
TO CENTRAL GOVERNMENT,			
LESS DEPOSITS	8.5	48.0	(92.3)
F. CENTRAL BANK CREDIT			
TO AUTONOMOUS AGENCIES	37.0	36.8	---
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 OCT 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** elyme  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
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**Executive Order:** N/A  
**Errors:** N/A  
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**From:** MANAGUA  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Line Count:** 146  
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**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ECONOMIC INDICATORS THROUGH AUGUST  
**TAGS:** ECON, EFIN, NU  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005